

Pasta Foods Investments Limited

Annual Report and Unaudited

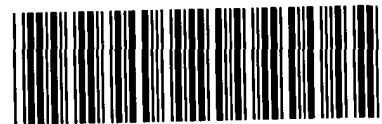
Financial Statements

Year Ended

31 October 2020

Company Number 09599872

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Pasta Foods Investments Limited

Company Information

Director	S Webber
Registered number	09599872
Registered office	C/O Pasta Foods Ltd Forest Way New Costessey Norwich NR5 0JH
Accountants	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

Pasta Foods Investments Limited

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Pasta Foods Investments Limited

Strategic Report For the Year Ended 31 October 2020

The director presents his report together with the unaudited financial statements for the year ended 31 October 2020.

Principal activity

The company owns 100% of the issued share capital of Pretty 210 Limited, which in turn owns 100% of the issued share capital of Pretty 1050 Limited, which in turn owns 100% of Pasta Foods Limited, a manufacturer of pasta.

The following relates to Pasta Foods Limited.

Business review

It has been a remarkable year for the business of Pasta Foods. Like all businesses we have had to deal with the challenges of the pandemic. As a business our approach from the start was to protect our employees, their families and the wider communities in which we operate not only against Coronavirus but also the mental health repercussions of the pandemic. Our employees in turn, have worked incredibly hard to satisfy our customers' needs and keep people fed. I am really grateful for their unfailing efforts and good sense throughout. I am also pleased to say we have supported a significant number of charities and food banks with donations of pasta during the period. This amounts to enough pasta for 247,250 meals.

During the year, David Lewis and Peter Barry decided to take a well-earned retirement after many years as both executive and then non-executive directors. We wish them well after the contributions they have made to the business.

Last year I highlighted that the financial results did not yet reflect the advances made in that year throughout the business. The financial performance this year is beginning to show the benefits of this hard work with underlying sales growth of 24% to £16.35m and an EBITDA of £1.8m.

The business was severely impacted by the lockdown beginning in March 2020 as the food to go sector we supply came to a halt. Management reacted quickly and demonstrated how agile the business has become as we redirected our efforts in difficult markets and delivered improved financial results. The business was able to switch some supply into retail pasta at short notice and kept our customers fully supplied which allowed them to keep their retail customers' shelves fully stocked throughout.

The main benefit to the company came from the investment in new capacity last year. The new production capacity allowed the company to grow the business around recipe dishes, canned goods and quick cook categories. We have once again won more business from existing customers and new business from new customers.

In a difficult retail environment, our customers, who supply the retailers have grown to value the excellent service levels and supply chain controls which go hand in hand with product quality and new product development. In this most difficult of years our customers have appreciated that more than ever as other suppliers in other countries focused on keeping their home customers fully supplied. Without exception we met all of our customers' needs 100% of the time, even if they increased their requirements at short notice and by very large amounts, all being serviced from our excellent facilities operating to the highest UK certification standards.

Our quality of product allied with the development of products that work perfectly for our customers' end uses and unfailing service levels mean that we have had significant success in exporting pasta and have won several new customers as well as growing with others. During the year our export sales have grown by over 30%.

Raw material prices were consistently high through the first few months of the year, but rose significantly as the pandemic began to impact agricultural commodities. Those higher prices persisted through to the year end and are still at higher than average levels.

Pasta Foods Investments Limited

Director's Report For the Year Ended 31 October 2020

The director presents his report together with the unaudited financial statements for the year ended 31 October 2020.

Principal activities

Pasta Foods Investments Limited is a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £3,753 (2019 - loss £2,488).

The director does not recommend the payment of a final dividend (2019 - £Nil).

Directors

The directors who served during the year were:

P Barry (resigned 18 May 2020)
D Lewis (resigned 18 May 2020)
S Webber

Financial instruments

The subsidiary company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to finance working capital through retained earnings and where necessary through borrowings at prevailing market interest rates. The subsidiary company does not use hedge accounting.

The subsidiary company's exposure to the price risk of financial instruments is therefore minimal. As the counter party to all financial instruments is its bankers, it is also exposed to minimal credit and liquidity risks in respect of these instruments. Its cash flow risk in respect of forward currency purchases is also minimal as it aims to pay suppliers in accordance with their stated terms, matching the maturity of the currency purchases.

The director does not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

Research and development activities

In the subsidiary company, the Development and Technical function is focused not only on improving efficiency and quality by use of technology, but also by further development of both pasta and snacks products offering a point of difference or meeting changed market needs. Resource is allocated to achieve this aim.

This report was approved by the board on

28 May 2021

and signed on its behalf.



S Webber
Director

Pasta Foods Investments Limited

Strategic Report (continued) For the Year Ended 31 October 2020

As previously highlighted the food sector is disproportionately affected by Living Wage increases, Nest pension costs and non-commodity energy charges: we continue to work to mitigate these cost pressures as far as possible.

Capex in the year was less than £100,000 following the large investment in the year before.

Future developments

The business has committed to a further increase in capacity which will become productive at the end of 2021. This is to support the increasing demand from both our current and new customers, and provide even more opportunity for consumers to buy from British manufacturers.

Principal risks and uncertainties

The principal risks faced by the company are focused on raw material price movements and exchange rate fluctuations.

The business seeks to pass on underlying raw material price increases to customers as appropriate.

The business protects itself with long term agreements, insurance policies and forward contracts where possible.

Analysis of key performance indicators

The business operates using a range of KPIs which are cascaded through the business.

The business reviews health and safety metrics at Board level and acts accordingly upon that information.

H.R metrics regarding employee performance and wellbeing are measured and reviewed.

The business focuses on various financial KPIs culminating in the operating profit KPI which showed an underlying result of £849k (2019 - £472k) in the year under review. Over the same period EBITDA, which is the KPI used as an approximation of gross cash profits was £1.8m (2019 - £1.1m).

Net assets stand at £10.8m (2019 - £10.2m) and cash at year end improved to £1.5m (2019 - £1.1m).

The non-financial KPIs that are reviewed involve production volumes, waste volumes and manufacturing metrics.

Sales volumes are measured against manufacturing volumes. In turn, KPIs regarding customer service levels and efficiency are monitored very closely.

This report was approved by the board on

28 May 2021

and signed on its behalf.



S Webber
Director

Pasta Foods Investments Limited

Director's Responsibilities Statement For the Year Ended 31 October 2020

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Pasta Foods Investments Limited

Chartered Accountants' Report to the Director on the Unaudited Financial Statements of Pasta Foods Investments Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Pasta Foods Investments Limited for the year ended 31 October 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practicing member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

It is your duty to ensure that Pasta Foods Investments Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Pasta Foods Investments Limited. You consider that Pasta Foods Investments Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Pasta Foods Investments Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of our report

This report is made solely to the board of directors of Pasta Foods Investments Limited, as a body, in accordance with the terms of our engagement letter dated 7 November 2018. Our work has been undertaken solely to prepare for your approval the accounts of Pasta Foods Investments Limited and state those matters that we have agreed to state to the board of directors of Pasta Foods Investments Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pasta Foods Investments Limited and its board of directors as a body for our work or for this report.

DocuSigned by:

Keith Ferguson

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BDO LLP

Chartered Accountants

Ipswich

United Kingdom

1 June 2021

Pasta Foods Investments Limited

Statement of Comprehensive Income For the Year Ended 31 October 2020

	Note	2020 £	2019 £
Administrative expenses		(3,753)	(2,488)
Operating loss		(3,753)	(2,488)
Loss for the financial year		(3,753)	(2,488)

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 9 to 13 form part of these financial statements.

Pasta Foods Investments Limited

Registered number: 09599872

Statement of Financial Position As at 31 October 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	4		465,000		465,000
Current assets					
Debtors	5	9		9	
Current liabilities					
Creditors: amounts falling due within one year	6	(29,069)		(25,316)	
Net current liabilities			(29,060)		(25,307)
Total assets less current liabilities			435,940		439,693
Net assets			435,940		439,693
Capital and reserves					
Called up share capital	7		465,009		465,009
Profit and loss account	8		(29,069)		(25,316)
Total equity			435,940		439,693

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 479A of Companies Act 2006

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 May 2021



S Webber
Director

The notes on pages 9 to 13 form part of these financial statements.

Pasta Foods Investments Limited

Statement of Changes in Equity For the Year Ended 31 October 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2019	465,009	(25,316)	439,693
Comprehensive income for the year			
Loss for the year	-	(3,753)	(3,753)
Total comprehensive income for the year	-	(3,753)	(3,753)
At 31 October 2020	465,009	(29,069)	435,940

Statement of Changes in Equity For the Year Ended 31 October 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2018	465,009	(22,828)	442,181
Comprehensive income for the year			
Loss for the year	-	(2,488)	(2,488)
Total comprehensive income for the year	-	(2,488)	(2,488)
At 31 October 2019	465,009	(25,316)	439,693

The notes on pages 9 to 13 form part of these financial statements.

Pasta Foods Investments Limited

Notes to the Financial Statements For the Year Ended 31 October 2020

1. General information

Pasta Foods Investments Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the company's operations and its principal activity are outlined in the director's report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Milton Webber Limited as at 31 October 2020 and these financial statements may be obtained from Cardiff, CF14 3UZ.

2.3 Consolidation of the financial statements

The financial statements contain information about Pasta Foods Investments Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Pasta Foods Investments Limited

Notes to the Financial Statements For the Year Ended 31 October 2020

2. Accounting policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received

Investments in unlisted company shares are carried in the statement of financial position at cost less impairment.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has noted the following key source of estimation uncertainty and area of judgement:

- Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. The director reviews annually for indicators of potential impairment.

Pasta Foods Investments Limited

Notes to the Financial Statements For the Year Ended 31 October 2020

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2019	465,000
At 31 October 2020	465,000
Net book value	
At 31 October 2020	465,000
At 31 October 2019	465,000

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Pretty Investments Limited	Property holding company	Ordinary	100%
Pretty 210 Limited	Intermediate holding company	Ordinary	100%
Pretty 1050 Limited	Intermediate holding company	Ordinary	100%
Pasta Foods Limited	Production of dry pasta and snack pellets	Ordinary	100%

The registered office of all subsidiaries detailed above is the same as the parent company, C/O Pasta Foods Ltd, Forest Way, New Costessey, Norwich, NR5 0JH.

The aggregate of the share capital and reserves as at 31 October 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Pretty Investments Limited	4,010,619	2,187
Pretty 210 Limited	(346,705)	(50,640)
Pretty 1050 Limited	(177,073)	(40,594)
Pasta Foods Limited	10,791,552	562,508

Pasta Foods Investments Limited

Notes to the Financial Statements For the Year Ended 31 October 2020

5. Debtors: amounts falling due within one year

	2020 £	2019 £
Other debtors	9	9

6. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	23,045	18,721
Accruals and deferred income	6,024	6,595
	29,069	25,316

7. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
465,009 (2019 - 465,009) ordinary shares of £1 each	465,009	465,009

8. Reserves

The company's capital and reserves are as follows:

Share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

9. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Pasta Foods Investments Limited

Notes to the Financial Statements For the Year Ended 31 October 2020

10. Ultimate parent undertaking and controlling party

Milton Webber Limited is the ultimate parent company.

The ultimate controlling party is Simon Webber by way of a majority shareholding. :

The parent undertaking of the largest group for which consolidated accounts are prepared is Milton Webber Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.